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*Washington, Wednesday, March 24, 1937*

## PRESIDENT OF THE UNITED STATES.

### EXECUTIVE ORDER

#### AMENDING THE INSTRUCTIONS TO DIPLOMATIC OFFICERS AND THE CONSULAR REGULATIONS

By virtue of and pursuant to the authority vested in me by section 1752 of the Revised Statutes (U. S. C., title 22, sec. 132), it is ordered that section XV-4 of the Instructions to Diplomatic Officers and section 451 of the Consular Regulations be, and they are hereby, amended to read as follows:

*"Presents and testimonials.*—No diplomatic or consular officer shall ask or accept for himself or any other person, any present, emolument, office, or title of any kind from any king, prince, or foreign state. (U. S. Const., Art. I, sec. 9, cl. 8, U. S. C., title 22, § 126.) Any present, decoration, order, or testimonial in acknowledgment of services rendered to the citizens or governments of foreign states, or other thing, which shall be conferred on or presented by any foreign government to any officer of the United States, shall be tendered through the Department of State, and not to the individual in person, but such present, decoration, or other thing shall not be delivered by the Department of State unless so authorized by act of Congress. (5 U. S. C., § 115.)

"Thorough consideration was given by the Committee on Foreign Affairs of the House of Representatives in 1934 to the question whether the Congress should consent to the acceptance of presents, decorations, orders, medals, testimonials, or other things. It resulted in the enactment of the joint resolution approved June 27, 1934 (48 Stat. 1267), which authorized only certain *retired* officers and employees therein named to accept such decorations, orders, medals, or presents as had been tendered to them by foreign governments. Hence it appears to be the settled policy of the Congress to decline to authorize the acceptance by civilian officers of the Government in active service of presents, decorations, medals, orders, testimonials, or other things, when presented to or conferred on such officers by any king, prince, or foreign state. Furthermore, it is contrary to the policy of the Government to tender or to award presents, decorations, medals, orders, testimonials, or other things to representatives of foreign governments. In view of the attitude of the Congress and the policy of the Government, American diplomatic and consular officers are hereby *prohibited* from accepting in any circumstances any present, decoration, medal, order, testimonial, or other thing that may be tendered to them by any foreign king, prince, or foreign state."

THE WHITE HOUSE,  
March 19, 1937.

FRANKLIN D. ROOSEVELT

[No. 7577]

[F. R. Doc. 37-817; Filed, March 22, 1937; 2:23 p. m.]

### EXECUTIVE ORDER

#### EXCLUDING CERTAIN TRACTS OF LAND FROM TONGASS NATIONAL FOREST AND RESTORING THEM TO ENTRY

##### Alaska

By virtue of and pursuant to the authority vested in me by the act of June 4, 1897, 30 Stat. 11, 36 (U. S. C., title 16, sec. 473), and upon the recommendation of the Secretary of Agriculture, it is ordered that the following-described tracts of land in Alaska, occupied as homesites and identified by elimination surveys, plats and field notes of which are on file in the General Land Office, Washington, D. C., be, and they are hereby, excluded from the Tongass National Forest and restored to entry under the applicable public-land laws:

Homesite No. 243, lot "I", Auke Lake group, Glacier Highway, in the vicinity of Juneau, 4.55 acres; approximate latitude 58°23'30" N., longitude 134°37'40" W.;

Homesite No. 368, lot "F", Triangle group, Glacier Highway, in the vicinity of Juneau, 4.82 acres; approximate latitude 58°22'40" N., longitude 134°38'10" W.;

Homesite No. 443, Baranof Island, Inner Lagoon, 4.10 acres; approximate latitude 56°15'15" N., longitude 134°38'50" W.;

Homesite No. 490, Gravina Island, Bostwick Bay, 4.48 acres; approximate latitude 55°13' N., longitude 131°43'15" W.

THE WHITE HOUSE,

FRANKLIN D. ROOSEVELT

March 19, 1937.

[No. 7578]

[F. R. Doc. 37-816; Filed, March 22, 1937; 2:22 p. m.]

### EXECUTIVE ORDER

#### PARTIAL REVOCATION OF EXECUTIVE ORDER NO. 5165 OF JULY 26, 1929, WITHDRAWING PUBLIC LANDS

##### Colorado

By virtue of and pursuant to the authority vested in me by the act of June 25, 1910, ch. 421, 36 Stat. 847, as amended by the act of August 24, 1912, ch. 369, 37 Stat. 497, Executive Order No. 5165 of July 26, 1929, withdrawing, together with other lands, the public lands in the following-described townships in Colorado, pending a resurvey, is hereby revoked as to said townships:

##### SIXTH PRINCIPAL MERIDIAN

Tps. 1 and 2 S., R. 86 W.

This order shall become effective upon the date of the official filing of the plats of the resurvey of said townships.

THE WHITE HOUSE,

FRANKLIN D. ROOSEVELT

March 19, 1937.

[No. 7579]

[F. R. Doc. 37-815; Filed, March 22, 1937; 2:22 p. m.]



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## TREASURY DEPARTMENT.

### Bureau of Internal Revenue.

[T. D. 4729]

### ESTATE TAX

#### REGULATIONS 80 AMENDED

#### To Collectors of Internal Revenue and Others Concerned:

Regulations 80, relating to the estate tax and approved November 7, 1934, are amended as set forth herein.

There is inserted immediately preceding article 15 the following statutory provision:

SECTION 805. (Revenue Act of 1936) *Revocable Transfers.*—(a) Section 302 (d) (1) of the Revenue Act of 1926, as amended, is amended to read as follows:

(d) (1) To the extent of any interest therein of which the decedent has at any time made a transfer (except in case of a bona-fide sale for an adequate and full consideration in money

or money's worth), by trust or otherwise, where the enjoyment thereof was subject at the date of his death to any change through the exercise of a power (in whatever capacity exercisable) by the decedent alone or by the decedent in conjunction with any other person (without regard to when or from what source the decedent acquired such power), to alter, amend, revoke, or terminate, or where any such power is relinquished in contemplation of decedent's death.

(b) Except in the case of transfers made after the date of the enactment of this Act, no interest of the decedent of which he has made a transfer shall be included in the gross estate under such section 302 (d) (1) unless it was includible under such section before its amendment by this section.

The first, second and third paragraphs of article 15 are amended to read as follows:

ART. 15. *Transfers during life.*—The following classes of transfers made by the decedent prior to his death, whether in trust or otherwise, if not constituting bona fide sales for an adequate and full consideration in money or money's worth, are subject to the tax: (1) transfers in contemplation of death (see article 16); (2) transfers to the extent that title remained in the decedent at the time of his death and the passing thereof was conditioned upon his death (see article 17); (3) transfers under which the decedent reserved or retained (in whole or in part) the use, possession, rents, or other income or enjoyment of the transferred property, for his life, or for a period not ascertainable without reference to his death, or for a period of such duration as to evidence an intention that it should extend to his death; including also the reservation or retention of the use, possession, rents, or other income, the actual enjoyment of which was to await the termination of a transferred precedent interest or estate (see article 18); (4) transfers under which the decedent retained the right, either alone or in conjunction with another person or persons, to designate who should possess or enjoy the property or the income therefrom (see article 19); and (5) transfers under which the enjoyment of the transferred property was subject at decedent's death to a change through the exercise, either by the decedent alone or in conjunction with another person or persons, of a power to alter, amend, revoke, or terminate, or such a power was relinquished in contemplation of decedent's death (see articles 20 and 21).

The value of transferred property includible in the gross estate is the value thereof at the date of decedent's death, or if the executor has duly elected pursuant to the provisions of section 202 of the Revenue Act of 1935 (by which section subdivision (j) was added to section 302 of the Revenue Act of 1926, as amended) to have the value of the gross estate determined as of the dates therein prescribed, then the value will be that as of the applicable date or dates so prescribed (see article 13½ added to Regulations 80 by Treasury Decision 4699, approved September 25, 1936, I. R. B. XV-40-8340). If a portion only of the property was so transferred as to come within the terms of the statute, only a corresponding proportion of the value of the property should be included in ascertaining the value of the gross estate. If the transferee has made additions to the property, or betterments, the enhanced value of the property due thereto should not be included.

To constitute a bona fide sale for an adequate and full consideration in money or money's worth the transfer must have been made in good faith, and the price must have been an adequate and full equivalent reducible to a money value. If the price was less than such a consideration, only the excess of the fair market value of the property (as of the date of decedent's death, or as of the applicable date under such an election as is mentioned in the last preceding paragraph) over the price received by the decedent should be included in ascertaining the value of the gross estate. For the purposes of the tax a relinquishment or promised relinquishment of dower, curtesy, or of a statutory estate created in lieu of dower or curtesy, or of other marital rights in decedent's property or estate, is not to any extent a consideration in money or money's worth.

Article 17 is amended to read as follows:

ART. 17. *Transfers conditioned upon survivorship.*—The statutory phrase, "a transfer . . . intended to take effect in possession or enjoyment at or after his death", includes a transfer by the decedent (other than a bona fide sale for an adequate and full consideration in money or money's worth) whereby and to the extent that the beneficial title to the property (if the transfer was in trust), or the legal title thereto (if the transfer was otherwise than in trust), remained in the decedent at the time of his death and the passing thereof was subject to the condition precedent of his death. If the tax applies, it does so without regard to the time of the transfer, whether before or after the enactment of the Revenue Act of 1916.

On the other hand, if, as a result of the transfer, there remained in the decedent at the time of his death no title or interest in the transferred property, then no part of the property is to be included in the gross estate merely by reason of a provision in the instrument of transfer to the effect that the property was to revert to the decedent upon the predecease of some other person or persons or the happening of some other event.

Subdivision (a) of article 18 is amended to read as follows:

**ART. 18. Transfers with possession or enjoyment retained.**—(a) *Transfers included.*—The statutory phrase, "a transfer \* \* \* intended to take effect in possession or enjoyment at or after his death," includes a transfer, whether in trust or otherwise, made subject to the reservation or retention by the decedent of the use, or the possession, or the rents or other income or enjoyment of the transferred property, or any part thereof, for his life, or for a period not ascertainable without reference to his death, or for such a period as to evidence his intention that it should extend at least for the duration of his life; including also the reservation or retention of the use, possession, rents, or other income the actual enjoyment of which, by the decedent, was to be postponed until the termination of a transferred precedent interest or estate. (See article 15.)

If for any such period the use, possession, rents or other income (in whole or in part) were to be disposed of in discharge of a legal obligation of the decedent or otherwise for his pecuniary benefit, then to that extent the use, possession, rents or other income will be treated as having been reserved to or retained by the decedent.

Article 19 is amended to read as follows:

**ART. 19. Transfers with right retained to designate who shall possess or enjoy.**—(a) *Transfers included.*—The statutory phrase, "a transfer \* \* \* intended to take effect in possession or enjoyment at or after his death," includes a transfer, by trust or otherwise, in connection with which the decedent reserved or retained, either to himself alone or in conjunction with any other person or persons, the right during his life, or for a period not ascertainable without reference to his death, or for such a period as to evidence an intention that the right should continue for at least the duration of his life, to designate the person or persons who should possess or enjoy the transferred property (in whole or in part), or any of the income thereof. (See article 15.)

(b) *Taxability.*—If the transfer was not a bona fide sale for an adequate and full consideration in money or money's worth, the property or the interest or interests therein so transferred shall be included in the gross estate if falling within any one of the following paragraphs:

(1) Regardless of when the transfer was made, if decedent died after the enactment of the Revenue Act of 1916 (September 8, 1916), and the right to so designate was reserved at the time of the transfer and was subject to such an exercise as would determine the ultimate disposition of the property or of an interest or interests therein, and such right was exercisable by the decedent alone or in conjunction with a person or persons having no substantial adverse interest or interests in the property, or if exercisable in conjunction with a person having a substantial adverse interest or with several persons some or all of whom held such an adverse interest, then to the extent of any interest or interests held by a person or persons not required to join in the exercise of the right and any adverse interest which was not substantial.

(2) When the transfer was made after the enactment of the Revenue Act of 1916 (September 8, 1916) and the decedent died after the enactment of the Revenue Act of 1932 (5 p. m., eastern standard time, June 6, 1932), or the transfer was made and the decedent died after 10.30 p. m., eastern standard time, March 3, 1931, and the right to so designate was reserved at the time of the transfer and was not subject to such an exercise as would determine the ultimate disposition of the property or of an interest or interests therein, but was limited to a designation of the person or persons who should possess or enjoy the property or the income therefrom (in whole or in part) for the period of decedent's life, or for a period not ascertainable without reference to his death, or for a period of such duration as to evidence an intent that it should extend for the remainder of decedent's life, and such right was exercisable by the decedent alone or in conjunction with a person or persons having no substantial adverse interest or interests in the transferred property, or if exercisable in conjunction with a person having a substantial adverse interest or with several persons some or all of whom held such an adverse interest, then to the extent of any interest or interests held by a person or persons not required to join in the exercise of the right and of any adverse interest which was not substantial.

(3) When the transfer was made and decedent died after the enactment of the Revenue Act of 1932 (5 p. m., eastern standard time, June 6, 1932) and the right to so designate was reserved at the time of the transfer, whether exercisable by decedent alone or in conjunction with a person or persons having or not having a substantial adverse interest or interests in the transferred property, or in conjunction with persons one or more of whom had and one or more of whom had not such an adverse interest.

As used in this article, the expression, "reserved at the time of the transfer", includes any understanding, expressed or implied, had in connection with the making of the transfer that the right to designate the person or persons who should possess or enjoy the property or the income therefrom should later be created or conferred.

Article 20 is amended to read as follows:

**ART. 20. Transfers with power to change the enjoyment.**—(a) *Transfers included.*—Subdivision (d) of section 302 of the Revenue

Act of 1926, as amended, embraces a transfer by trust or otherwise (if not amounting to a bona fide sale for an adequate and full consideration in money or money's worth) when at the time of decedent's death the enjoyment of the transferred property, or some part thereof or interest therein, was subject to any change through a power exercisable either by the decedent alone, or by him in conjunction with some other person or persons, to alter, or amend, or revoke, or terminate. (See article 15.)

The addition to the subdivision, by section 805 of the Revenue Act of 1936, of the phrase to the effect that it is not material in what capacity the power was subject to exercise by the decedent or by the other person or persons in conjunction with the decedent, is considered as merely declaratory of the meaning of the subdivision prior to the addition of the phrase.

The second phrase added by amendment in 1936 (namely, "without regard to when or from what source the decedent acquired such power") is not considered declaratory of the meaning of the subdivision prior to the amendment in a case in which no one of the powers enumerated in the subdivision was reserved at the time of the making of the transfer, but one or more thereof was conferred subsequent thereto (whatever the source from which conferred) without any understanding, expressed or implied, had in connection with the making of the transfer that such power or powers should be later conferred.

The third change made in the subdivision by the Revenue Act of 1936 consisted of the addition of the words "or terminate" following the words "to alter, amend, revoke." Such addition is considered but declaratory of the meaning of the subdivision prior to the amendment. A power to terminate capable of being so exercised as to revert in the decedent the ownership of the transferred property or an interest therein, or as otherwise to enure to his benefit or the benefit of his estate, is, to that extent, the equivalent of a power to "revoke", and when otherwise so exercisable as to effect a change in the enjoyment, is the equivalent of a power to "alter."

(b) *Taxability.*—The property or the interest or interests therein so transferred shall be included in the gross estate if coming within any one of the following paragraphs:

(1) Regardless of when the transfer was made, if the decedent died after the enactment of the Revenue Act of 1916 (September 8, 1916), and the power was reserved at the time of the transfer and was exercisable by the decedent alone or in conjunction with a person or persons having no substantial adverse interest or interests in the transferred property, or if exercisable in conjunction with a person having a substantial adverse interest or with several persons some or all of whom held such an adverse interest, then to the extent of any interest or interests held by a person or persons not required to join in the exercise of the power and any adverse interest which was not substantial.

(2) When the transfer was made after the enactment of the Revenue Act of 1924 (4.01 p. m., eastern standard time, June 2, 1924) and before the amendment of the subdivision by the Revenue Act of 1936 became effective (June 23, 1936), and the decedent's death occurred at any time subsequent to the transfer, and the power was reserved at the time of the transfer and was exercisable by the decedent alone or in conjunction with a person or persons either having or not having a substantial adverse interest or interests in the transferred property, or in conjunction with persons one or more of whom had and one or more of whom had not such an adverse interest.

(3) When the transfer was made and the decedent died after June 22, 1936 (the date of the enactment of the Revenue Act of 1936), and the power was either reserved at the time of the transfer or later created or conferred, without regard to the source from which the power was acquired, and whether exercisable by the decedent alone or in conjunction with a person or persons either having or not having a substantial adverse interest or interests in the transferred property, or in conjunction with persons one or more of whom had and one or more of whom had not such an adverse interest.

As used in this and in the next succeeding article, the expression, "reserved at the time of the transfer", refers to a power which, having been reserved when the transfer was made, continued to the date of decedent's death (see the paragraph next following as to the conditions under which the power will be considered as existent at decedent's death) to be exercisable by decedent alone or by him in conjunction with some other person or persons, and includes any understanding, expressed or implied, had in connection with the making of the transfer that the power should later be created or conferred.

The power to alter, amend, revoke, or terminate will be considered to have existed on the date of the decedent's death though the exercise of the power was subject to a precedent giving of notice, or though the alteration, amendment, revocation, or termination would take effect only on the expiration of a stated period after the exercise of the power, whether or not on or before the date of the decedent's death notice had been given or the power had been exercised, or though the exercise of the power was restricted to a particular time or the happening of a particular event which had not arrived or occurred at decedent's death. When determining the value of the gross estate in such cases the full value of the property transferred subject to the power should be discounted for the period required to elapse between the date of decedent's death

and the date upon which the alteration, amendment, revocation, or termination could take effect. (See article 13 (10).)

The provisions of this article do not apply to a transfer when the power may be exercised only with the consent of all parties having an interest, vested or contingent, in the transferred property, and the power adds nothing to the rights of the parties as conferred by the applicable local law.

Article 21 is amended to read as follows:

ART. 21. Power relinquished in contemplation of death.—If the decedent had previously held, either alone or in conjunction with another person or persons, a power to alter, or amend, or revoke, or terminate a transfer made by him, and the power was subsequently relinquished in contemplation of the decedent's death (the relinquishment not amounting to a bona fide sale for an adequate and full consideration in money or money's worth), then to the extent that the transferred property or any interest therein had been subject to such relinquished power it is to be included in the gross estate if coming within any one of the following paragraphs:

(1) Regardless of when the transfer was made, if the power was reserved at the time of the transfer and was relinquished and the decedent died after the enactment of the Revenue Act of 1916 (September 8, 1916), and the power was exercisable by the decedent alone or in conjunction with a person or persons having no substantial adverse interest or interests in the transferred property, or if exercisable in conjunction with a person having a substantial adverse interest or with several persons some or all of whom held such an adverse interest, then to the extent of any interest or interests held by a person or persons not required to join in the exercise of the power and any adverse interest which was not substantial.

(2) When the transfer was made after the enactment of the Revenue Act of 1924 (4.01 p. m., eastern standard time, June 2, 1924) and before the amendment of the subdivision by the Revenue Act of 1936 became effective (June 23, 1936), and the power was reserved at the time of the transfer and its relinquishment and the decedent's death subsequently occurred, and the power was exercisable by the decedent alone or in conjunction with a person or persons either having or not having a substantial adverse interest or interests in the transferred property, or in conjunction with persons one or more of whom had and one or more of whom had not such an adverse interest.

(3) When the transfer was made after June 22, 1936 (the date of the enactment of the Revenue Act of 1936), and the relinquishment of the power and the decedent's death subsequently occurred, and the power was either reserved at the time of the transfer or later created or conferred, without regard to the source from which the power was acquired, and whether exercisable by the decedent alone or in conjunction with a person or persons either having or not having a substantial adverse interest or interests in the transferred property, or in conjunction with persons one or more of whom had and one or more of whom had not such an adverse interest.

Within the meaning of this article, it is essential to a relinquishment of a power which is exercisable by the decedent in conjunction with another person or persons that the relinquishment by such other person or persons operates as a complete relinquishment of the power.

If the relinquishment be not admitted or shown to have been in contemplation of decedent's death, but occurred within two years prior to such death, and affected the interest or interests (whether arising from one or more transfers or the creation of one or more trusts) of any one beneficiary of a value or aggregate value in excess of \$5,000 (as of the date of decedent's death, or as of the applicable date under such an election as is referred to in the second paragraph of article 15) then, to the extent of such excess, the relinquishment will be deemed, unless shown to the contrary, to have been in contemplation of decedent's death. (See article 15.)

Article 25 is amended by striking out the second sentence of the second paragraph, and inserting in lieu thereof the following:

Insurance is considered to have been taken out by the decedent, whether or not he made the application, if he acquired the ownership of, or any legal incident thereof in, the policy; but in the case of a decedent dying before November 7, 1934 (the date of the approval of Regulations 80), the provisions of the second paragraph of article 25 of Regulations 70 (1929 edition) will continue to apply.

Article 25 is further amended by striking out the last sentence thereof.

Article 36 is amended to read as follows:

ART. 36. Claims against the estate.—The amounts that may be deducted under this heading are such only as represent personal obligations of the decedent existing at the time of his death, whether or not then matured, and interest thereon which had accrued at the time of death. If, as authorized by subdivision (j) of section 302 of the Revenue Act of 1926, as amended (such subdivision having been added by section 202 of the Revenue Act of 1935), the executor has duly elected to have the value of the gross estate determined as of a date or dates prescribed in such subdivision, then the deduction on account of

interest will be limited to the amount thereof accrued and unpaid at decedent's death, plus the interest earned between death and a date one year thereafter, unless the claim is sooner paid, in which case the amount of interest deductible will be the amount accrued to date of such payment. The deduction will include payments made of any interest accrued at decedent's death and payments of interest earned between death and one year thereafter, or between death and the date on which the claim was paid. Only claims enforceable against the decedent's estate may be deducted. If the claim is founded upon a promise or agreement, the deduction therefor is limited to the extent that the liability was contracted bona fide and for an adequate and full consideration in money or money's worth. Thus, a pledge or a subscription, evidenced by a promissory note or otherwise, even though enforceable against the estate, is deductible only to the extent that liability therefor was contracted bona fide and for an adequate and full consideration in cash or its equivalent. Liabilities imposed by law or arising out of torts are deductible. See Article 29 as to the relinquishment or promised relinquishment of dower and other marital interests.

Article 38 is amended to read as follows:

ART. 38. Unpaid mortgages.—Deduction is allowed of the full unpaid amount of a mortgage upon, or of an indebtedness in respect to, any property of the gross estate, including interest which had accrued thereon at the time of death, provided the value of the property, undiminished by the amount of the mortgage or indebtedness, is returned as part of the value of the gross estate. If decedent's estate is liable for the amount of the mortgage or indebtedness, the full value of the property subject to the mortgage or indebtedness must be included as part of the value of the gross estate; the amount of the mortgage or indebtedness being in such case allowed as a deduction. But if decedent's estate is not so liable, only the value of the equity of redemption (or value of the property, less the indebtedness) need be returned as part of the value of the gross estate. In no case may the deduction on account of the mortgage or indebtedness exceed the liability therefor contracted bona fide and for an adequate and full consideration in money or money's worth. If the executor has made the election referred to in the second sentence of article 36, the deduction on account of interest upon the mortgage or indebtedness will be limited to the amount thereof accrued and unpaid at decedent's death, plus the interest earned between death and a date one year thereafter, unless the mortgage or indebtedness is sooner paid or the property subject to the mortgage or indebtedness is sooner distributed, sold, exchanged or otherwise disposed of, the deduction in any such case being limited to the amount of interest accrued to the date of such payment, distribution, sale, exchange or other disposition. The deduction will include payments made of any interest accrued at decedent's death and payments of interest earned between death and one year thereafter, or between death and the date of payment of the mortgage or indebtedness, or the date on which the property subject thereto was distributed, sold, exchanged or otherwise disposed of. Real property, situated outside of the United States does not form a part of the gross estate, and no deduction may be taken of any mortgage thereon or any indebtedness in respect thereto.

Article 67 is amended to read as follows:

ART. 67. Examination of return and determination of tax by the Commissioner.—As soon as practicable after returns are filed, they will be examined and the amount of the tax determined by the Commissioner under such procedure as he may from time to time prescribe.

If the executor makes written application to the Commissioner for a determination of the tax and discharge from personal liability therefor, the Commissioner will, within one year after receipt of such application, or if the application is made before the return is filed then within one year after the return is filed, notify the executor of the amount of the tax, and upon payment thereof, the executor will be discharged from personal liability for any deficiency in the tax thereafter found to be due. (See section 313 (b) and (c).)

Article 72 is amended to read as follows:

ART. 72. Returns confidential.—All estate tax returns and notices are treated as privileged communications and may not be exhibited, or the contents thereof divulged, to any person other than the executor or his duly authorized attorney or agent, except as prescribed in rules and regulations which may be separately issued upon the subject. This confidential treatment extends to records in possession of the Bureau of Internal Revenue, whether on file with the Commissioner, collector, or revenue agent, including information submitted or obtained in connection with a return. Internal revenue officers are not prohibited from disclosing the returned value of any item or the amount of any deduction, if such disclosure is necessary in order to arrive at the correct determination of the tax, but such right of disclosure does not extend to such information as the amount of the estate, the amount of tax, or other general data. If a copy of the return is desired because no copy was retained by the executor, or the retained copy has been lost or destroyed, or for other satisfactory reason, a copy may be furnished by the Commissioner to the executor, or to his authorized attorney or agent, upon payment of the fee prescribed.

Article 73 is amended by striking out the first and second paragraphs thereof.

This Treasury Decision is prescribed pursuant to the authority contained in section 1101 of the Revenue Act of 1926, 44 Stat. 111.

[SEAL]

GUY T. HELVERING,  
Commissioner of Internal Revenue.

Approved: March 18, 1937.

ROSWELL MAGILL,  
Acting Secretary of the Treasury.

[F. R. Doc. 37-818; Filed, March 22, 1937; 3:29 p. m.]

## DEPARTMENT OF AGRICULTURE.

### Agricultural Adjustment Administration.

PRSO No. 6

Issued March 22, 1937

[Puerto Rico Sugar Order No. 6]

#### ALLOTMENT OF THE QUOTA FOR PUERTO RICO

By virtue of the authority vested in the Secretary of Agriculture by Public Resolution No. 109, 74th Congress, approved June 19, 1936, and by Section 8a of the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, Harry L. Brown, Acting, Secretary of Agriculture, do hereby make, issue, publish and give public notice of this order, which shall have the force and effect of law and shall continue in force and effect until amended or superseded by orders or regulations hereafter made by the Secretary of Agriculture.

#### I

Whereas, General Sugar Quota Regulations, Series 4, No. 1, establishes for Puerto Rico a quota of 831,508 short tons of sugar, raw value, and

Whereas, I hereby find that as of December 31, 1936, the surplus stocks of sugar carried over from the 1935/36 crop, or substitutions thereof, amounted to 109,807 short tons of sugar, raw value.

#### II

Now, Therefore, pursuant to the foregoing authority and in accordance with the provisions of Puerto Rico Sugar Order No. 5, which prescribes the basis for allotment of the 1937 Puerto Rico sugar quota, it is hereby ordered:

1. That during the calendar year 1937 the processors named below are forbidden from importing into continental United States for consumption, or which shall be consumed therein, any sugar from Puerto Rico in excess of the allotments set forth opposite their respective names:

Name of processor	Allotment from processing	Allotment from surplus stocks	Marketing allotment
Aguirre	95,731	5,467	101,198
Cambalache	34,428	488	34,916
Canovanas	29,749	942	30,691
Carmen	13,888	284	14,172
Coloso	31,638	465	32,103
Constancia-Toa	19,674		19,674
El Ejemplo	12,110	343	12,453
Eureka	11,252	3	11,255
Fajardo	58,066	2,032	60,098
Guanica	90,777	3,836	94,613
Guamani	10,964	234	11,198
Hermínia	1,778		1,778
Igualdad	11,855	271	12,126
Juanita	15,122		15,122
Lafayette	28,375	778	29,153
Piazzuela Los Canos	34,637	59	34,696
Monserate	11,012	300	11,312
Pellejas	1,352		1,352
Plata	9,904		9,904
Playa Grande	7,354	137	7,491
Rochelaise	8,119	292	8,411
Roi	25,985	685	26,670
Rufina	20,217	1,465	21,682
San Vicente	29,313	506	29,819
Santa Barbara	2,521	96	2,617
Soller	5,021		5,021
Vannina	13,162		13,162
Victoria	15,904	174	16,078
Eastern Sugar Associates	81,233	4,310	85,543

Name of processor	Allotment from processing	Allotment from surplus stocks	Marketing allotment
San Francisco	5,367	137	5,504
Caribe	6,309		6,309
Constancia-Ponce	7,982	233	8,215
Mercedita	31,859	572	32,431
Boca Chica	14,120	891	15,011
	802,778	25,000	827,778
Reserve for future allotment			3,730
			831,508

2. That the allotments fixed herein shall not be assigned or transferred without the approval of the Secretary, or his duly appointed agent.

3. That where surplus stocks of sugar have been processed from growers' surplus sugarcane, and settlement with growers has been made in terms of sugar, such growers' surplus sugar shall share in the allotment herein made to the processors on a pro rata basis.

4. That whenever any person is aggrieved because of any allotment made to him, or to any other person, or because he has received no allotment, or because of any provision herein, he may make application in writing under oath to the Secretary for the adjustment of any allotment, or for the issuance of an allotment, or for the modification of any provision herein, which application shall fully set forth his complaint and the facts in support thereof. If upon the basis of such application, the Secretary has reason to believe that the complaint is well founded, he will give due notice and opportunity for the interested persons to be heard on such application. Upon the basis of the record obtained at such hearing, the Secretary may grant or deny, in whole or in part, said application.

If any provision herein is declared invalid, in whole or in part, the validity of the remaining provisions shall not be affected thereby, and if any provision is declared inapplicable to any person or circumstance, the applicability of such provision to any other person or circumstance shall not be affected thereby.

The Chief, or the Acting Chief, of the Sugar Section of the Agricultural Adjustment Administration, and the Officer in Charge of the San Juan office of the Sugar Section of the Agricultural Adjustment Administration, or the Acting Officer in Charge thereof, are hereby designated to act, jointly or severally, as agents of the Secretary of Agriculture in administering the provisions of this order.

In testimony whereof, Harry L. Brown, Acting Secretary of Agriculture, has hereunto set his hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington, District of Columbia, this 22nd day of March 1937.

[SEAL]

HARRY L. BROWN,  
Acting Secretary.

[F. R. Doc. 37-820; Filed, March 23, 1937; 11:43 a. m.]

## FARM CREDIT ADMINISTRATION.

[FCA 33]

### PARTICIPATION OF THE HOLDERS OF IMPAIRED CLASS B STOCK IN THE PROCEEDS OF LIQUIDATION OF A PRODUCTION CREDIT ASSOCIATION

#### AMENDMENT OF SECTION 104-1 OF THE RULES AND REGULATIONS FOR PRODUCTION CREDIT ASSOCIATIONS

Pursuant to the authority conferred upon the Governor of the Farm Credit Administration by the Farm Credit Act of 1933, particularly section 20 thereof, and pursuant to section 65 of said Act, the fifth (final) paragraph of section 104-1 is hereby amended to read as follows:

In case an association is liquidated, voluntarily or otherwise, while an impairment exists in the par value of any of its outstanding class B stock, its respective class B stockholders shall be

entitled to participate in the net assets available for distribution among class B stockholders, to the extent only of the fair book value(s) of their respective shares at the time of such distribution. In the determination of such fair book value(s), the basis shall be the fair book value(s) last previously established by the board of directors which was (were) followed by the issuance of new shares of class B stock at par. If, upon liquidation, the amount of the net assets available for distribution among class B stockholders is found to be less than the aggregate of such basic fair book values, the resulting deficiency shall be treated as an impairment (or further impairment) of such basic fair book value(s). If, upon liquidation, the amount of the net assets available for distribution among class B stockholders is found to be greater than the aggregate of such basic fair book values, the resulting surplus shall be applicable, first, to the elimination (restoration) of any impairments reflected in such basic fair book value(s) and, second, to increasing the fair book value of all shares of class A and class B stock outstanding to an equal value per share above par.

[SEAL]

S. M. GARWOOD,  
Production Credit Commissioner.

[F. R. Doc. 37-821; Filed, March 23, 1937; 11:52 a. m.]

### FEDERAL HOME LOAN BANK BOARD.

#### Home Owners' Loan Corporation.

[Manual Amendment]

#### AUTHORIZING REGIONAL ACCOUNTANT TO USE CORPORATION'S SEAL

Be it resolved, That pursuant to the authority vested in the Board by Home Owners' Loan Act of 1933 (48 Stat 128, 129) as amended by Sections 1 and 13 of the Act of April 27, 1934 (48 Stat. 643-647) and particularly by Sections 4-a and 4-k of said Act as amended, Section 800 of the Consolidated Manual is hereby amended by adding a new paragraph, designated (m) to read as follows:

The Regional Accountant, or his deputy authorized to sign statements of account, is vested with the authority to affix the official seal of the Corporation whenever required upon statements of account in connection with his authentications thereof, and is authorized to have access to the seal of the Corporation for that purpose.

Adopted by the Federal Home Loan Bank Board on March 22, 1937.

[SEAL]

R. L. NAGLE, Secretary.

[F. R. Doc. 37-819; Filed, March 22, 1937; 4:22 p. m.]

### SECURITIES AND EXCHANGE COMMISSION.

#### United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 19th day of March, A. D., 1937.

[File No. 46-27]

#### IN THE MATTER OF THE APPLICATION OF MASSACHUSETTS UTILITIES ASSOCIATES

#### ORDER APPROVING ACQUISITION OF SECURITIES PURSUANT TO SECTION 10 OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

Massachusetts Utilities Associates, a subsidiary company of New England Power Association, a registered holding company, having filed with this Commission an application pursuant to Section 9 (a) (1) of the Public Utility Holding Company Act of 1935 for the approval of the acquisition by it of the following securities from New England Gas and Electric Association:

2,669 shares of Amesbury Electric Light Company Capital Stock, par value \$25 each share.

130 shares of Central Massachusetts Light & Power Company Preferred Voting Trust, 6% Cumulative and Participating Preferred Voting Trust Shares, expressed value \$100 each share.

110 shares of Central Massachusetts Light and Power Company Voting Trust No. 2 Common Voting Trust Shares, no par, stated or declared value.

6,214 shares of Central Massachusetts Light & Power Company 6% Cumulative and Participating Preferred Shares, expressed value \$100 each share.

1,593 shares of Central Massachusetts Light & Power Company Common Shares, no par, stated or declared value.

4,624 shares Commonwealth Gas and Electric Companies Voting Trust, Common Voting Trust Shares, no par, stated or declared value.

819 shares of Commonwealth Gas & Electric Companies 6% Cumulative Preferred Shares, \$100 expressed value each share.

67 shares of Franklin County Power Company 6% Cumulative and Participating Preferred Shares, \$100 expressed value each share.

39 shares of Franklin County Power Company Common Shares, no par, stated or declared value.

74 shares of Gardner Gas, Fuel and Light Company Capital Stock, \$100 par value each share.

353 shares of Marlborough Electric Company Capital Stock, \$100 par value each share.

72 shares of Massachusetts Lighting Companies Shares Trust 6% Cumulative Preferred Trust Shares, \$100 expressed value each share.

7 shares of Massachusetts Lighting Companies Shares Trust 8% Cumulative Preferred Trust Shares, \$100 expressed value each share.

77 shares of Massachusetts Lighting Companies Shares Trust Common Trust Shares, no par, stated or declared value.

3,508 shares of Massachusetts Lighting Companies 6% Cumulative Preferred Shares, expressed value \$100 each share.

1,239 shares of Massachusetts Lighting Companies 8% Cumulative Preferred Shares, expressed value \$100 each share.

18,376 shares of Massachusetts Lighting Companies Common Shares, no par, stated or declared value.

142 shares of Merrimac Valley Power and Buildings Company, 7% Convertible, Cumulative, Preferred Stock, par value \$100 each share.

102 shares Norwood Gas Company, Capital Stock, par value \$100 each share.

3,780 shares of Weymouth Light and Power Company Capital Stock, par value \$25 each share.

162 shares of Winchendon Electric Light and Power Company Capital Stock, par value \$100 each share.

3,931 shares Worcester Suburban Electric Company Capital Stock, par value \$25 each share.

Such application having been amended; a hearing thereon having been duly held after appropriate notice; the record in this matter having been duly considered; and the Commission having filed its findings herein:

It is ordered that the acquisition by applicant of such securities in the manner and subject to the terms sets forth in such application, as amended, be and the same hereby is approved.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, Secretary.

[F. R. Doc. 37-823; Filed, March 23, 1937; 12:37 p. m.]

#### United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 19th day of March, A. D., 1937.

[File No. 46-26]

## IN THE MATTER OF THE APPLICATION OF NEW ENGLAND GAS AND ELECTRIC ASSOCIATION

## ORDER APPROVING ACQUISITION OF SECURITIES PURSUANT TO SECTION 10 OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

New England Gas and Electric Association, an affiliate under clause (A) of Section 2 (a) (11) of a number of public utility companies, having filed with this Commission an application pursuant to Section 9 (a) (2) of the Public Utility Holding Company Act of 1935 for the approval of the acquisition by it of the following securities from Massachusetts Utilities Associates:

49,830 shares of the Capital Stock, par value \$25 each share, of Plymouth County Electric Company

1,366 shares of 6% Cumulative and Participating Preferred Stock, par value \$100 each share, of Plymouth Gas and Light Company, and

1,288 shares of the Common Stock, par value \$100 each share, of Plymouth Gas and Light Company.

Such application having been amended; a hearing thereon having been duly held after appropriate notice;<sup>1</sup> the record in this matter having been duly considered; and the Commission having filed its findings herein;

It is ordered that the acquisition by applicant of such securities in the manner and subject to the terms set forth in such application, as amended, be and the same hereby is approved.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 37-823; Filed, March 23, 1937; 12:37 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 22nd day of March, A. D. 1937.

## IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE TEXAS-BLACK FARM, FILED ON MARCH 15, 1937, BY JOHN G. ELLINGHAUSEN, RESPONDENT

## SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)), AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

In that in Division III under the heading "Saturation" it is stated that "in this calculation a saturation factor of 70% is used", whereas in the actual calculation the figure "75%" is used;

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 21st day of April, 1937; that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered that Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspond-

ence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that the taking of testimony in this proceeding commence on the 6th day of April, 1937, at 10:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 37-825; Filed, March 23, 1937; 12:37 p. m.]

*United States of America—Before the Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 22nd day of March, A. D. 1937.

## IN THE MATTER OF AN OFFERING SHEET OF A ROYALTY INTEREST IN THE TRANSWESTERN-HANNUM FARM, FILED ON MARCH 15, 1937, BY JAMES M. JOHNSON, RESPONDENT

## SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A)), AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

(1) In that the offering sheet is not properly signed by reason of the fact that the signature of the offeror is omitted, as is also the date;

(2) In that Exhibit A is incomplete in the following particulars:

(a) date omitted;

(b) scale omitted;

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 21st day of April, 1937; that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered that Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that the taking of testimony in this proceeding commence on the 6th day of April, 1937, at 11:00 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 37-824; Filed, March 23, 1937; 12:37 p. m.]

<sup>1</sup> 2 F. R. 64.

*United States of America—Before the Securities  
and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 22nd day of March, A. D., 1937.

IN THE MATTER OF AN OFFERING SHEET OF A WORKING INTEREST IN THE H. C. DRILLING CORPORATION-VAN SCOY-MALLORY FARM, FILED ON MARCH 17, 1937, BY HAROLD C. STAYSA, RESPONDENT

SUSPENSION ORDER, ORDER FOR HEARING (UNDER RULE 340 (A))  
AND ORDER DESIGNATING TRIAL EXAMINER

The Securities and Exchange Commission, having reasonable grounds to believe, and therefore alleging, that the offering sheet described in the title hereof and filed by the respondent named therein is incomplete or inaccurate in the following material respects, to wit:

(1) In that the offering sheet appears to affect interests in four non-contiguous tracts, which interests are not believed to be those as are described under Rule 335, Regulation B, of the General Rules and Regulations;

(2) In that the date set forth in Division I, paragraph 7, may not be correct;

(3) In that many of the sub-titles are not designated as required by Schedule D;

(4) In that the statement made under Division II, Item 3 (d), is apparently in conflict with the answer to the question under Division II, Item 3 (f);

(5) In that the statement is made in Division II, Item 7, that "the purchaser does not become a party to any management or operating contract", whereas it appears from an examination of Exhibit B that said statement may not be correct; further, that the information disclosed under Division II, Item 9, also appears to be in conflict with the statement above quoted;

(6) In that the statement made in Division II, Item 16 (a) (ii), may not be correct as it appears such answer should properly read "excluding income taxes";

(7) In that it appears from the information disclosed under Division II, Item 9, that the statement made in Division II, Item 25, may be incomplete and therefore misleading;

(8) In that the signature of the offeror affixed to the offering sheet is not dated;

(9) In that the legal descriptions of the properties involved, as disclosed by Exhibit A, Exhibit B and the attorney's opinion, do not agree by reason of the fact that Exhibit B appears to cover portions of lots 13, 15, 4 and 32, whereas Exhibit A appears to cover portions of lots 13, 15, 4 and 2 and the attorney's opinion seems to affect lots 11, 13, 4, 5 and 15;

It is ordered, pursuant to Rule 340 (a) of the Commission's General Rules and Regulations under the Securities Act of 1933, as amended, that the effectiveness of the filing of said offering sheet be, and hereby is, suspended until the 21st day of April, 1937; that an opportunity for hearing be given to the said respondent for the purpose of determining the material completeness or accuracy of the said offering sheet in the respects in which it is herein alleged to be incomplete or inaccurate, and whether the said order of suspension shall be revoked or continued; and

It is further ordered that Charles S. Lobingier, an officer of the Commission be, and hereby is, designated as trial examiner to preside at such hearing, to continue or adjourn the said hearing from time to time, to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, consider any amendments to said offering sheet as may be filed prior to the conclusion of the hearing, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law; and

It is further ordered that the taking of testimony in this proceeding commence on the 6th day of April, 1937, at 10:30 o'clock in the forenoon, at the office of the Securities and Exchange Commission, 18th Street and Pennsylvania Avenue, Washington, D. C., and continue thereafter at such times and places as said examiner may designate.

Upon the completion of testimony in this matter the examiner is directed to close the hearing and make his report to the Commission.

By the Commission.

[SEAL]

FRANCIS P. BRASSOR, *Secretary*.

[F. R. Doc. 37-826; Filed, March 23, 1937; 12:38 p. m.]